

117TH CONGRESS
1ST SESSION

S. 3065

To establish national data privacy standards in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 26, 2021

Ms. CORTEZ MASTO introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To establish national data privacy standards in the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Digital Accountability
5 and Transparency to Advance Privacy Act” or the “DATA
6 Privacy Act”.

7 SEC. 2. DEFINITIONS.

8 (a) IN GENERAL.—In this Act:

9 (1) COLLECT.—The term “collect” means tak-
10 ing any operation or set of operations to obtain cov-

1 ered data, including by automated means, including
2 purchasing, leasing, assembling, recording, gathering,
3 acquiring, or procuring.

4 (2) COMMISSION.—The term “Commission”
5 means the Federal Trade Commission.

6 (3) COVERED DATA.—The term “covered
7 data”—

8 (A) means any information that is—
9 (i) collected, processed, stored, or dis-
10 closed by a covered entity;
11 (ii) collected over the internet or other
12 digital network; and
13 (iii)(I) linked to an individual or de-
14 vice associated with an individual; or

15 (II) practicably linkable to an indi-
16 vidual or device associated with an indi-
17 vidual, including by combination with sepa-
18 rate information, by the covered entity or
19 any potential recipient of the data; and

20 (B) does not include data that is—
21 (i) collected, processed, stored, or dis-
22 closed solely for the purpose of employ-
23 ment of an individual; or

(A) means any entity that collects, processes, stores, or discloses covered data; and

(B) does not include any entity that collects, processes, stores, or discloses covered data relating to fewer than 50,000 individuals and devices during any 12-month period.

(6) PRIVACY ENHANCING TECHNOLOGY.—The term “privacy enhancing technology”—

19 (A) means any software solution, technical
20 processes, or other technological means of en-
21 hancing the privacy and confidentiality of an in-
22 dividual's covered data in data or sets of data;
23 and

(B) includes anonymization and pseudonymization techniques, filtering tools, anti-track-

1 ing technology, differential privacy tools, synthetic data, and secure multi-party computation.
2
3

(10) PSEUDONYMOUS DATA.—The term “pseudonymous data” means covered data that may only be linked to the identity of an individual or the iden-

1 tity of a device associated with an individual if com-
2 bined with separate information.

3 (11) REASONABLE INTEREST.—The term “rea-
4 sonable interest” means—

5 (A) a compelling business, operational, ad-
6 ministrative, legal, or educational justification
7 for the collection, processing, storage, or disclo-
8 sure of covered data exists; and

9 (B) the interest does not subject the indi-
10 vidual linked to the covered data to an unre-
11 asonable privacy risk.

12 (12) SENSITIVE DATA.—The term “sensitive
13 data” means any covered data relating to—

14 (A) the health, biologic, physiologic, bio-
15 metric, sexual life, or genetic information of an
16 individual; or

17 (B) the precise geolocation information of
18 a device associated with an individual.

19 (13) STORE.—The term “store” means any op-
20 eration or set of operations to continue possession of
21 covered data, including by automated means.

22 (14) THIRD PARTY SERVICE PROVIDER.—The
23 term “third party service provider” means any cov-
24 ered entity that collects, processes, stores, or dis-
25 closes covered data at the direction of, and for the

1 sole benefit of, another covered entity under a con-
2 tract.

3 (b) MODIFIED DEFINITION BY RULEMAKING.—If the
4 Commission determines that a term defined in paragraph
5 (10) or (12) is not sufficient to protect an individual's
6 data privacy, the Commission may promulgate regulations
7 under section 553 of title 5, United States Code, to modify
8 the definition as the Commission considers appropriate.

9 **SEC. 3. REQUIRED PRIVACY NOTICE.**

10 (a) PRIVACY NOTICE.—Each covered entity shall post
11 in an accessible location a notice that is concise, in con-
12 text, in easily understandable language, accurate, clear,
13 timely, updated, uses visualizations where appropriate,
14 conspicuous, and free of charge regarding the covered en-
15 tity's privacy practices.

16 (b) CONTENTS OF NOTICE.—The notice required by
17 subsection (a) shall include—

18 (1) a description of the covered data that the
19 entity collects, processes, stores, and discloses, in-
20 cluding the sources that provided the covered data if
21 the covered entity did not collect the covered data
22 from the individual;

23 (2) the purposes for and means by which the
24 entity collects, processes, and stores the covered
25 data;

4 (4) a conspicuous, clear, and understandable
5 means for individuals to access the methods nec-
6 essary to exercise their rights under sections 4 and
7 5.

8 SEC. 4. REQUIRED DATA PRACTICES.

9 (a) REGULATIONS.—Not later than 1 year after the
10 date of the enactment of this Act, the Commission shall
11 promulgate regulations under section 553 of title 5,
12 United States Code, that require covered entities to imple-
13 ment, practice, and maintain certain data procedures and
14 processes that meet the following requirements:

21 (A) REASONABLE.—

tices must meet a reasonable interest of the covered entity, including—

(I) business, educational, and ad-

ministrative operations that are relevant and appropriate to the context of the relationship between the covered entity and the individual linked to the covered data;

(II) relevant and appropriate product and service development and enhancement;

(III) preventing and detecting abuse, fraud, and other criminal activity;

(IV) reasonable communications and marketing practices that follow best practices, rules, and ethical standards;

(V) engaging in scientific, medical, or statistical research that follows commonly accepted ethical standards; or

(VI) any other purpose for which the Commission considers to be reasonable.

5 (I) the role of impact assess-
6 ments in determining the privacy risk
7

10 (III) the impact of such regula-
11 tions on small business.

12 (B) EQUITABLE.—

18 (I) discriminatory targeted advertising practices;
19

20 (II) price, service, or employment
21 opportunity discrimination; or

22 (III) any other practice the Com-
23 mission considers likely to result in
24 discrimination against a protected
25 characteristic.

5 (I) established civil rights laws,
6 common law, and existing relevant
7 consent decrees;

8 (II) the existing economic models
9 and technology available in the digital
10 advertising system;

11 (III) the role of algorithms and
12 impact assessments; and

13 (IV) the impact of such regula-
14 tions on small businesses.

15 (C) FORTHRIGHT.—

21 (I) the use of inconspicuous re-
22 cording or tracking devices and meth-
23 ods;

24 (II) the disclosure of covered
25 data that a reasonable individual be-

1 lieves to be the content of a private
2 communication with another party or
3 parties;

4 (III) notices, interfaces, or other
5 representations likely to mislead con-
6 sumers; or

7 (IV) any other practice that the
8 Commission considers likely to mis-
9 lead individuals regarding the pur-
10 poses for and means by which covered
11 data is collected, processed, stored, or
12 disclosed.

13 (ii) CONSIDERATIONS.—In promul-
14 gating regulations in accordance with this
15 subparagraph, the Commission shall con-
16 sider—

17 (I) existing relevant consent de-
18 crees;

19 (II) the reasonable expectations
20 of consumers;

21 (III) research on deceptive prac-
22 tices;

23 (IV) the role of deceptive user
24 interfaces; and

(V) the impact of such regula-

tions on small businesses.

(2) REQUIREMENTS FOR OPT-OUT CONSENT.—

Except as provided in subsection (b), require covered entities to provide individuals with conspicuous access to a method that is in easily understandable language, concise, accurate, clear, to opt-out of any collection, processing, storage, or disclosure of covered data linked to the individual.

(3) REQUIREMENTS FOR AFFIRMATIVE CON-

SENT.—Except as provided in subsection (b), require covered entities to provide individuals with a notice that is concise, in easily understandable language, accurate, clear, timely, and conspicuous to express affirmative, opt in consent—

(A) before the covered entity collects or

discloses sensitive data linked to the individual;

or

(B) before the covered entity collects, proc-

esses, stores, or discloses data for purposes

which are outside the context of the relationship

of the covered entity will

ta, including—

(i) the use of covered data beyond

1 market a good or service that the individual requests;

3 (ii) the processing or disclosure of
4 covered data differs in material ways from
5 the purposes described in the privacy pol-
6 icy that was in effect when the data was
7 collected; and

8 (iii) any other purpose that Commis-
9 sion considers outside of context.

10 (4) DATA MINIMIZATION REQUIREMENTS.—Ex-
11 cept as provided in subsection (b), require covered
12 entities to—

13 (A) take reasonable measures to limit the
14 collection, processing, storage, and disclosure of
15 covered data to the amount that is necessary to
16 carry out the purposes for which the data is col-
17 lected; and

18 (B) store covered data only as long as is
19 reasonably necessary to carry out the purposes
20 for which the data was collected.

21 (b) EXEMPTIONS.—Subsection (a) shall not apply if
22 the limitations on the collection, processing, storage, or
23 disclosure of covered data would—

24 (1) inhibit detection or prevention of a security
25 risk or incident;

- 1 (2) risk the health, safety, or property of the
2 covered entity or individual; or
3 (3) prevent compliance with an applicable law
4 (including regulations) or legal process.

5 **SEC. 5. INDIVIDUAL CONTROL OVER DATA USE.**

6 (a) REGULATIONS.—Not later than 1 year after the
7 date of the enactment of this Act, the Commission shall
8 promulgate regulations under section 553 of title 5,
9 United States Code, to require covered entities to provide
10 conspicuous, understandable, clear, and free of charge
11 method to—

12 (1) upon the request of an individual, provide
13 the individual with access to, or an accurate rep-
14 resentation of, covered data linked to with the indi-
15 vidual or the individual's device stored by the cov-
16 ered entity;

17 (2) upon the request of an individual, provide
18 the individual with a means to dispute and resolve
19 the accuracy or completeness of the covered data
20 linked to the individual or the individual's device
21 stored by the entity;

22 (3) upon the request of an individual, delete
23 any covered data that the covered entity stores
24 linked to the individual or the individual's device;
25 and

1 (4) when technically feasible, upon the request
2 of an individual, allow the individual to transmit or
3 transfer covered data linked to the individual or the
4 individual's device that is maintained by the entity
5 to the individual in a format that is standardized
6 and interoperable.

7 (b) PSEUDONYMOUS DATA.—If the covered data that
8 an individual has requested processed under subsection (a)
9 is pseudonymous data, a covered entity may decline the
10 request if processing the request is not technically feasible.

11 (c) TIMELINESS OF REQUESTS.—In fulfilling any re-
12 quests made by the individual under subsection (a) the
13 covered entity shall act in as timely a manner as is reason-
14 ably possible.

15 (d) ACCESS TO SAME SERVICE.—A covered entity
16 shall not discriminate against an individual because of any
17 action the individual took under their rights described in
18 subsection (a), including—

19 (1) denying goods or services to the individual;
20 (2) charging, or advertising, different prices or
21 rates for goods or services; or
22 (3) providing different quality of goods or serv-
23 ices.

24 (e) CONSIDERATION.—The Commission shall allow a
25 covered entity, by contract, to provide relevant obligations

1 to the individual under subsection (a) on behalf of a third
2 party service provider that collects, processes, stores, or
3 discloses covered data only on behalf of the covered entity.

4 **SEC. 6. INFORMATION SECURITY STANDARDS.**

5 (a) REQUIRED DATA SECURITY PRACTICES.—

6 (1) REGULATIONS.—Not later than 1 year after
7 the date of enactment of this Act, the Commission
8 shall promulgate regulations under section 553 of
9 title 5, United States Code, to require covered enti-
10 ties to establish and implement policies and proce-
11 dures regarding information security practices for
12 the treatment and protection of covered data taking
13 into consideration—

14 (A) the level of identifiability of the cov-
15 ered data and the associated privacy risk;

16 (B) the sensitivity of the covered data col-
17 lected, processed, and stored and the associated
18 privacy risk;

19 (C) the currently available and widely ac-
20 cepted technological, administrative, and phys-
21 ical means to protect covered data under the
22 control of the covered entity;

23 (D) the cost associated with implementing,
24 maintaining, and regularly reviewing the safe-
25 guards; and

(E) the impact of these requirements on
small- and medium-sized businesses.

(B) The Health Information Technology for Economic and Clinical Health Act (42 U.S.C. 17931).

17 (C) The Health Insurance Portability and
18 Accountability Act of 1996 Security Rule (45
19 CFR 160.103 and part 164).

20 (D) Any other existing law requiring a cov-
21 ered entity to implement and maintain informa-
22 tion security practices and procedures that the
23 Commission determines to be sufficiently rig-
24 orous.

1 **SEC. 7. PRIVACY PROTECTION OFFICERS.**

2 (a) APPOINTMENT OF A PRIVACY PROTECTION OFFI-
3 CER.—Each covered entity with annual revenue in excess
4 of \$50,000,000 the prior year shall designate at least 1
5 appropriately qualified employee as a privacy protection
6 officer who shall—

7 (1) educate employees about compliance re-
8 quirements;

9 (2) train employees involved in data processing;
10 (3) conduct regular, comprehensive audits to
11 ensure compliance and make records of the audits
12 available to enforcement authorities upon request;

13 (4) maintain updated, clear, and understand-
14 able records of all data security practices undertaken
15 by the covered entity;

16 (5) serve as the point of contact between the
17 covered entity and enforcement authorities; and

18 (6) advocate for policies and practices within
19 the covered entity that promote individual privacy.

20 (b) PROTECTIONS.—The privacy protection officer
21 shall not be dismissed or otherwise penalized by the cov-
22 ered entity for performing any of the tasks assigned to
23 the person under this section.

1 SEC. 8. RESEARCH INTO PRIVACY ENHANCING TECH-
2 NOLOGY.

3 (a) NATIONAL SCIENCE FOUNDATION SUPPORT OF
4 RESEARCH ON PRIVACY ENHANCING TECHNOLOGY.—The
5 Director of the National Science Foundation, in consulta-
6 tion with other relevant Federal agencies (as determined
7 by the Director), shall support merit-reviewed and com-
8 petitively awarded research on privacy enhancing tech-
9 nologies, which may include—

- 10 (1) fundamental research on technologies for
11 de-identification, pseudonymization, anonymization,
12 or obfuscation of covered data in data sets while
13 maintaining fairness, accuracy, and efficiency;
- 14 (2) fundamental research on algorithms and
15 other similar mathematical tools used to protect in-
16 dividual privacy when collecting, storing, sharing, or
17 aggregating data;
- 18 (3) fundamental research on technologies that
19 promote data minimization principles in data collec-
20 tion, sharing, and analytics; and
- 21 (4) research awards on privacy enhancing tech-
22 nologies coordinated with other relevant Federal
23 agencies and programs.

24 (b) INTEGRATION INTO THE COMPUTER AND NET-
25 WORK SECURITY PROGRAM.—Subparagraph (D) of sec-
26 tion 4(a)(1) of the Cyber Security Research and Develop-

1 ment Act (15 U.S.C. 7403(a)(1)(D)) is amended to read
2 as follows:

3 “(D) privacy enhancing technologies and
4 confidentiality;”.

5 (c) COORDINATION WITH THE NATIONAL INSTITUTE
6 OF STANDARDS AND TECHNOLOGY AND OTHER STAKE-
7 HOLDERS.—

8 (1) IN GENERAL.—The Director of the Office of
9 Science and Technology Policy, acting through the
10 Networking and Information Technology Research
11 and Development Program, shall coordinate with the
12 Director of the National Science Foundation, the Di-
13 rector of the National Institute of Standards and
14 Technology, and the Commission to accelerate the
15 development and use of privacy enhancing tech-
16 nologies.

17 (2) OUTREACH.—The Director of the National
18 Institute of Standards and Technology shall conduct
19 outreach to—

20 (A) receive input from private, public, and
21 academic stakeholders, including the National
22 Institutes of Health and the Centers for Dis-
23 ease Control and Prevention, for the purpose of
24 facilitating public health research, on the devel-
25 opment of privacy enhancing technologies; and

(B) develop ongoing public and private sector engagement to create and disseminate voluntary, consensus-based resources to increase the integration of privacy enhancing technologies in data collection, sharing, and analytics by the public and private sectors.

(d) REPORT ON RESEARCH AND STANDARDS DEVELOPMENT.—Not later than 2 years after the date of enactment of this Act, the Director of the Office of Science and Technology Policy, acting through the Networking and Information Technology Research and Development Program, shall, in coordination with the Director of the National Science Foundation and the Director of the National Institute of Standards and Technology, submit to the Committee on Commerce, Science, and Transportation of the Senate, the Subcommittee on Commerce, Justice, Science, and Related Agencies of the Committee on Appropriations of the Senate, the Committee on Science, Space, and Technology of the House of Representatives, and the Subcommittee on Commerce, Justice, Science, and Related Agencies of the Committee on Appropriations of the House of Representatives, a report containing—

(1) the progress of research on privacy enhancing technologies;

10 SEC. 9. ENFORCEMENT.

11 (a) ENFORCEMENT BY THE COMMISSION.—

(3) ACTIONS BY THE COMMISSION.—Subject to paragraph (4), the Commission shall prevent any

1 person from violating this Act or a regulation pre-
2 scribed under this Act in the same manner, by the
3 same means, and with the same jurisdiction, powers,
4 and duties as though all applicable terms and provi-
5 sions of the Federal Trade Commission Act (15
6 U.S.C. 41 et seq.) were incorporated into and made
7 a part of this Act, and any person who violates this
8 Act or such regulation shall be subject to the pen-
9 alties and entitled to the privileges and immunities
10 provided in the Federal Trade Commission Act (15
11 U.S.C. 41 et seq.).

12 (4) COMMON CARRIERS.—Notwithstanding sec-
13 tion 4, 5(a)(2), or 6 of the Federal Trade Commis-
14 sion Act (15 U.S.C. 44, 45(a)(2), and 46) or any ju-
15 risdictional limitation of the Commission, the Com-
16 mission shall also enforce this Act, in the same man-
17 ner provided in paragraphs (1), (2), and (3) with re-
18 spect to common carriers subject to the Communica-
19 tions Act of 1934 (47 U.S.C. 151 et seq.) and Acts
20 amendatory thereof and supplementary thereto.

21 (b) ENFORCEMENT BY STATE ATTORNEYS GEN-
22 ERAL.—

23 (1) IN GENERAL.—

24 (A) CIVIL ACTIONS.—In any case in which
25 the attorney general of a State has reason to

1 believe that an interest of the residents of that
2 State has been or is threatened or adversely af-
3 fected by the engagement of any person in a
4 practice that violates this Act or a regulation
5 prescribed under this Act, the State, as parens
6 patriae, may bring a civil action on behalf of
7 the residents of the State in a district court of
8 the United States of appropriate jurisdiction
9 to—
10 (i) enjoin that practice;
11 (ii) enforce compliance with this Act
12 or such regulation;
13 (iii) obtain damages, restitution, or
14 other compensation on behalf of residents
15 of the State;
16 (iv) impose a civil penalty in an
17 amount that is not greater than the prod-
18 uct of the number of individuals whose in-
19 formation was affected by a violation and
20 \$40,000; or
21 (v) obtain such other relief as the
22 court may consider to be appropriate.
23 (B) ADJUSTMENT FOR INFLATION.—Be-
24 ginning on the date that the Consumer Price
25 Index is first published by the Bureau of Labor

1 Statistics that is after 1 year after the date of
2 enactment of this Act, and each year thereafter,
3 the amounts specified in subparagraph (A)(iv)
4 shall be increased by the percentage increase in
5 the Consumer Price Index published on that
6 date from the Consumer Price Index published
7 the previous year.

8 (C) NOTICE.—

9 (i) IN GENERAL.—Before filing an ac-
10 tion under subparagraph (A), the attorney
11 general of the State involved shall provide
12 to the Commission—

13 (I) written notice of that action;
14 and

15 (II) a copy of the complaint for
16 that action.

17 (ii) EXEMPTION.—

18 (I) IN GENERAL.—Clause (i)
19 shall not apply with respect to the fil-
20 ing of an action by an attorney gen-
21 eral of a State under this paragraph
22 if the attorney general determines
23 that it is not feasible to provide the
24 notice described in that clause before
25 the filing of the action.

7 (c) RIGHTS OF THE COMMISSION.—

(B) file petitions for appeal of a decision in
the civil action.

1 attorney general of a State may bring a civil action
2 under subsection (b) against any defendant named
3 in the complaint of the Commission for violation of
4 this Act or a regulation promulgated under this Act
5 that is alleged in the complaint.

6 (d) VENUE AND SERVICE OF PROCESS.—

7 (1) VENUE.—Any action brought under sub-
8 section (b) may be brought in—

9 (A) the district court of the United States
10 that meets applicable requirements relating to
11 venue under section 1391 of title 28, United
12 States Code; or

13 (B) another court of competent jurisdic-
14 tion.

15 (2) SERVICE OF PROCESS.—In an action
16 brought under subsection (b), process may be served
17 in any district in which the defendant—

18 (A) is an inhabitant; or

19 (B) may be found.

20 (e) ACTION OF OTHER STATE OFFICIALS.—

21 (1) IN GENERAL.—In addition to civil actions
22 brought by attorneys general under subsection (b),
23 any other officer of a State who is authorized by the
24 State to do so may bring a civil action under sub-
25 section (b), subject to the same requirements and

1 limitations that apply under this subsection to civil
2 actions brought by attorneys general.

3 (2) SAVINGS PROVISION.—Nothing in this sub-
4 section may be construed to prohibit an authorized
5 official of a State from initiating or continuing any
6 proceeding in a court of the State for a violation of
7 any civil or criminal law of the State.

8 (f) PRESERVATION OF AUTHORITY.—Nothing in this
9 Act shall be construed to limit the authority of the Federal
10 Trade Commission under any other provision of law.

11 **SEC. 10. ADDITIONAL ENFORCEMENT RESOURCES.**

12 (a) IN GENERAL.—Notwithstanding any other provi-
13 sion of law the Commission may, without regard to the
14 civil service laws (including regulations), appoint not more
15 than 300 additional personnel for the purposes of enfore-
16 ing privacy and data security laws and regulations.

17 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to the Commission such
19 sums as may be necessary to carry out this section.

